

## Postsecondary School Registration in Iowa

### Purpose and History

Registration of postsecondary schools in Iowa is governed by Iowa Code chapter [261B](#), enacted in 1984. The purpose of the statute is to “provide protection for persons choosing institutions and programs by ensuring that accurate and complete information about institutions and programs is available to these persons and to the public.” Between 1984 and 2009, the Secretary of State played a role in registering postsecondary schools. Since 2009, it has been solely the responsibility of the College Student Aid Commission.

### Schools that Must Register

Schools must register if a person compensated by the school conducts any portion of a course of instruction in Iowa or if the school has a presence in the state. “Presence” is defined as:

- A location in Iowa where a student participates in any structured activity related to a school’s distance education course of instruction, with the exception of a proctored examination.
- An address, location, telephone number, or internet protocol address in Iowa from which a school conducts any aspect of its operations.

For courses offered on a school’s campus that is not located in Iowa, “presence” does not include short-term recruitment activities conducted in Iowa or residency, practicum, internship, clinical, or similar experience provided in Iowa, as long as on-site instruction or supervision of the experience is provided by a person not compensated by the school.

### Schools and Programs Exempt from Registration

The following are **not** required to register:

- Schools or programs conducted by a business solely for the training of its own employees.
- Apprentice or other training programs provided by labor unions solely to members or applicants for membership.
- Courses of an avocational or recreational nature that do not lead to an occupational objective.
- Programs sponsored by professional, business, or farming organizations for members and their employees.
- Colleges and universities authorized by the state to grant degrees.
- Courses offered by a vendor solely to the purchaser or prospective purchaser of the vendor’s product with the purpose of enabling the use of the product.
- Accredited private higher education institutions that meet the criteria established in Iowa Code section [261.9\(1\)](#) regarding eligibility for the Iowa Tuition Grant.
- Hamilton Technical College, originally established in 1969 in Bettendorf, Iowa, to offer preparation for the Federal Communications Commission radio broadcasting examination. The school is now located in Davenport, Iowa, and offers programming in electronics engineering, medical assisting, and medical insurance billing and coding.
- Programs conducted by religious organizations solely for religious instruction of leadership practitioners of that organization.
- Schools of cosmetology arts and sciences or barber schools licensed by the state.
- Institutions offering programs limited to nondegree specialty vocational training programs.
- Institutions located in Iowa, affiliated with health care systems located in Iowa, and offering health professions programs accredited by an agency recognized by the U.S. Department of Education (USDE).
- Institutions located in Iowa and offering massage therapy curriculum approved by the Department of Public Health, whose instructors are licensed massage therapists under Iowa Code chapter [152C](#).

A school applying for exemption under any of the last five categories must demonstrate to the College Student Aid Commission that it qualifies, and the Commission may approve or deny the exemption. If approved, the school must reapply every two years.

### More Information

College Student Aid Commission – Postsecondary Registration:  
<http://www.iowacollegeaid.gov/PostsecondaryRegistration/postsecondaryregistration.html>

Iowa General Assembly: <https://www.legis.iowa.gov/index.aspx>

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### Registration Requirements

Applicants for registration must provide:

- The principal location of the school and the locations where instruction is likely to be given, whether in Iowa, another state, or a foreign country.
- The names and addresses of principal owners or officers and members of the governing body of the school and the name and address of the chief executive officer.
- The school's schedule of tuition charges, fees, and other costs, as well as the tuition refund policy.
- The name of the accrediting agency recognized by the USDE that has accredited the school, the status of accreditation, and a record of any sanctions levied against the school.
- Contact information for a school contact in Iowa or the school's registered agent in Iowa – primarily to accept service of process in a legal proceeding.
- Names and descriptions of courses and degrees to be offered in Iowa and the academic and instructional methodologies and delivery systems to be used.
- A description of procedures for preservation of student records and contact information for obtaining transcript information.
- Names, titles, and contact information for Iowa residents compensated by the school to perform duties at a location in Iowa. For instruction by distance delivery, the school may provide an Internet address as the business address for an Iowa resident it compensates to perform duties remotely from a location in Iowa.
- The school's official Stafford loan cohort default rate, the average student loan debt upon graduation, and the graduation rate of undergraduate students as reported to the USDE. (See section below – Statistics Collected from Registered Schools)
- Evidence of financial responsibility as required in Iowa Code section [714.18](#) or evidence that it is exempt from the requirement, as specified in Iowa Code section [714.19](#).
- A copy of (or description of) the school's required disclosures to students (see below).

Registrations are for a term of two years. Registered schools making any substantive change in location, program offering, or accreditation must amend their registrations with the Commission within 90 days of the effective date of the change.

### Required Disclosures to Students

Prior to the beginning of a course and prior to receipt of tuition or fee payments, a registered school must provide written disclosure to students that includes the name of the course, a description of the subject matter, the tuition and other fees charged, the school's refund policy for withdrawn students as required in Iowa Code section [714.23](#), and the name of the school's accrediting agency. The disclosure must also indicate whether the credential issued to the student upon completion of the course is applicable toward a degree granted by the school and, if so, under what circumstances.

Registered schools are ineligible for state student financial aid programs and are prohibited from offering state aid or advertising that state aid is or may be available to its students.

Schools registered under the statute must disclose the registration and provide the Commission's contact information to students inquiring about the school or wishing to file a complaint. Schools are prohibited from representing that the school is approved or accredited by the Commission or the State of Iowa.

### Denial of Registration and Enforcement

The Commission is authorized to deny registration to any school not meeting the registration criteria or where the Commission believes false, misleading, or incomplete information has been submitted. If requested by the school, the Commission must conduct a hearing. The Commission makes the final decision, but it is subject to judicial review in accordance with Iowa Code section [17A.19](#).

The Commission is authorized to grant provisional registration to a school that is in the process of seeking accreditation or seeking approval from its accrediting agency to operate at an Iowa site. Provisional registration is of limited duration, and progress toward accreditation is reviewed by the Commission at six-month intervals.

When the Commission finds a school to be in violation of Iowa Code chapter [261B](#), it must order the school to show cause why it should not issue a cease and desist order. After reviewing the school's response, the Commission may issue the cease and desist order, if appropriate, and may seek judicial enforcement in any district court. Violation of the statute constitutes an unlawful practice pursuant to Iowa Code section [714.16](#) (consumer fraud).

### Registration Fees and Revenue

Upon approval of registration, schools are required to pay a \$2,000 fee for the two-year registration term. The fee is required for each two-year renewal of registration. Prior to FY 2013, the registration term was four years, with a fee of \$4,000. The fees collected by the Commission are deposited to the State's General Fund, as required by statute.

In FY 2012, the Commission transferred \$75,000 in postsecondary registration fees to the General Fund. In FY 2013, the amount transferred was \$42,000. The reduction in fee revenue in FY 2013 is a result of the change to a two-year term at a lower fee.

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## Statistics on Registered Schools

The Commission provides a listing of schools that have applied for registration, including program and contact information and the status of the application/registration.

See <http://www.iowacollegeaid.gov/PostsecondaryRegistration/postsecondaryapplications.html>.

Currently, there are 52 schools registered in Iowa, with another 28 applications under review. Two schools are provisionally registered. One provisional registration (INSTE Bible College) is for one year and requires an unqualified audit of financial statements to convert to a full two-year registration. The second (Southwest Minnesota State University) is for two years and requires the hiring of a full-time Iowa resident faculty member or program coordinator to extend the registration for an additional two years.

As part of the application process, schools must submit information regarding three measurements that prospective students may use to evaluate schools. The following apply to the 52 schools currently registered in the State of Iowa.

- **Stafford Loan Cohort Default Rate** (calculated by the USDE) – The default rate for students graduating in 2010 ranged between 0.0% (St. Luke’s College) and 20.3% (Tulsa Welding School), with an average rate of 6.9%. (See the following chart for the distribution.)
- **Undergraduate Rate of Graduation** (reported to the USDE) – This is the percentage of first-time, full-time undergraduate students that completed their program within 150.0% of the normal program completion timeframe. Some schools report an overall rate, while others report a rate by program or campus. Because of this, an average rate cannot be calculated from the available data. The rates vary widely, ranging from 12.0% (University of Maryland University College) to 100.0% (St. Luke’s College). (See the following chart for the distribution.)
- **Average Loan Debt Upon Graduation** – Schools report average loan debt in a variety of ways. Some provide separate debt levels by program/campus or by federal loans versus other sources, while others report a single statistic. Debt levels also vary greatly depending on the type of program and/or credential offered, making overall comparisons difficult from the available data. The lowest reported average loan debt was less than \$100 by Columbia Southern University, which noted that only one-third of its students use federal student aid and many of those use only federal grant funds. The largest number reported was \$83,000 by the University of Southern California, followed by \$57,000 by Nova Southeastern University, and \$55,000 by Georgetown University. Information on the average loan debt at specific schools is available by contacting the Commission.

The following chart shows the distribution of the cohort default rates and graduation rates of the registered schools. NOTE: Several schools are represented multiple times on the chart because they reported a single default rate and multiple graduation rates by program or campus.

